



November 18, 2008

Dear Stakeholders:

Re: Re- Calculation of Customer Contributions

In Q2 and Q3 of this year, the AESO met with industry stakeholders to discuss a process for the re-calculation of customer contributions.

Customer Contributions are paid when facility project costs to interconnect a customer exceed the level of Local Investment defined by the AESO's Customer and System Contribution Policy in relation to the DTS Contract Capacity and relative contract term (Article 9.6). In accordance with the AESO's Customer and System Contribution Policy, certain material events may result in an adjustment to the Customer Contribution.

Following the stakeholder sessions, the AESO received and compiled feedback from all stakeholders. The discussion paper and business practices document titled "Re-Calculation of Customer Contributions" was finalized and forwarded to stakeholders on July 4, 2008. Full implementation of this practice was effective on September 30, 2008.

The AESO would like to take this opportunity to thank all of the stakeholders who provided input throughout the process of developing the business practice and process.

If you have any questions, please contact Georgina Newell at (403) 539-2824 or georgina.newell@aeso.ca.

Sincerely,

Jana Mosley
Manager, Transmission Customer Services
Transmission

Customer Contribution Refund Process

Customer Contributions are paid when facility project costs to interconnect a customer exceed the level of Local Investment defined by the AESO's Customer and System Contribution Policy in relation to the DTS Contract Capacity and relative contract term (Article 9.6).

In accordance with the AESO's Customer and System Contribution Policy, certain material events may result in an adjustment to the Customer Contribution. Depending on the circumstance, customers may be required to pay an additional contribution or may be refunded a portion of the original contribution. Circumstances that may cause a Customer Contribution re-calculation include without limitation:

Conditions outlined in Article of the AESO's Terms and Conditions of Service:	Policy Reference
<ul style="list-style-type: none"> Increases or decreases in Contract Capacity or number of commitment terms prior to the expiration of the original DTS System Access Service Agreement and does not necessitate the construction of new transmission facilities; 	Article 9.9
<ul style="list-style-type: none"> Material decrease in Contract Capacity or contract term prior to the expiration of the original DTS System Access Service Agreement; 	Article 9.9
<ul style="list-style-type: none"> Actual Contract Capacity turns out to be materially different than originally projected; 	Article 9.9
<ul style="list-style-type: none"> Re-classification of System-related costs as Customer-related costs under Article 9.3 or vice-versa ; 	Article 9.9
<ul style="list-style-type: none"> A material error is detected in the original calculation; 	Article 9.9
<ul style="list-style-type: none"> A material difference between the estimate and actual costs of a project; and 	Article 9.9
<ul style="list-style-type: none"> The period of advancement from the time Radial transmission extensions become Looped as set out under Article 9.6 is materially reduced. 	Article 9.9
<ul style="list-style-type: none"> Customer-related facilities are subsequently used to serve (an) other customer(s) within 20 years of their Commissioning. 	Article 9.10

Generally speaking, the presence of at least one of the conditions outlined above will form the basis for when an adjustment or re-assessment of the original Customer Contribution may occur. More complicated conditions that fall outside the parameters outlined in the AESO's Customer and System Contribution Policy will be reviewed on a case-by-case basis and in collaboration with Customers.

Along with the outlined conditions, there are a few guidelines for administering the refunds. The reviews will only extend back to 1999. Refunds of less than \$50,000 will not be refunded as they are not considered material. The review period will be limited to the length of the contract term. Reviews will be initiated upon DTS contract increase or upon customer request.